

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
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	)	
Requirements for Digital Television	)	ET Docket No. 05-24
Receiving Capability	)	
	)	
	)	

**COMMENTS OF THE WALT DISNEY COMPANY**

These comments are submitted on behalf of The Walt Disney Company, which through subsidiaries owns ten television stations in the following markets: New York, Los Angeles, Chicago, Philadelphia, San Francisco, Houston, Raleigh-Durham, Fresno, Flint, and Toledo. Disney also owns The ABC Television Network (again, through subsidiaries). Disney is filing these comments to again argue to the FCC that, at a time when many policymakers are suggesting ways to accelerate the digital television transition, the Commission should continue to accelerate and broaden their mandated schedule for television sets to include DTV tuners.

Specifically, these comments are being filed in response to the Further Notice of Proposed Rulemaking,<sup>1</sup> which sought comment on whether to: (1) accelerate the

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<sup>1</sup> Further Notice of Proposed Rulemaking, In the Matter of Requirements for Digital Television Receiving Capability, ET Docket No. 05-24 (rel. June 9, 2005).

July 1, 2007 deadline for tuners to be included in sets 13” to 24”, as well as other receiving devices (e.g., VCRs, DVD players etc... that receive television broadcast signals); and (2) expand the reach of the DTV tuner mandate to include sets smaller than 13”. Disney/ABC is filing these comments to urge that the FCC’s answer to both of these questions should be yes and to urge that ensuring that *all* new television sets sold include digital tuners is paramount to the success of the digital transition.

Disney/ABC has devoted – and is continuing to devote – substantial resources to the digital television transition. To that end, Disney/ABC has thus far expended hundreds of millions of dollars for the digital transition – including the digital equipment transition for the ten ABC owned stations, a separate transition for The ABC Television Network, and the programming costs for ABC news, sports and entertainment programming. ABC’s owned television stations all currently are transmitting a digital over-the-air signal and all met or beat the FCC’s required construction deadlines.<sup>2</sup> In addition to the owned stations, the ABC Television Network is nearing completion of a complete transition of its distribution network from analog to digital. Lastly, in addition to the high-quality ABC sports and entertainment programming already presented in high definition, ABC recently announced that it will soon begin airing Good Morning America in high definition. Disney believes that, given the tremendous amount of capital that it is devoting to the digital transition, the Commission should do whatever it can to expedite the

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<sup>2</sup> WABC, in New York, was off-air for a period due to the events surrounding September 11, and is still working towards a long-term, full-power solution for DTV.

transition, including ensuring that television sets – at the earliest date that is feasible – are able to receive the digital signals that Disney is transmitting.

As Disney/ABC noted in earlier comments, there are many television viewers who currently rely on over-the-air television signals and therefore it remains important as a public policy matter for DTV tuners to be incorporated into television sets and devices with television tuners. The FCC itself recently analyzed the data regarding the substantial number of television viewers that currently rely on the receipt of an over the air signal and reiterated that approximately 15% of TV households rely on an over-the-air signal. The FCC also noted estimates that almost half of DBS subscribers (approximately nine million households) watch their local signals over-the-air. The Commission added that millions of viewers in MVPD households rely on over-the-air signals for televisions that are not hooked up to cable and satellite (citing estimates of 30 million such households).<sup>3</sup> Disney/ABC also previously filed a survey that concluded that in New York, 29.1% of the viewers surveyed rely in whole or in part on over-the-air service, while in Los Angeles, 37.7% of the viewers surveyed rely in whole or in part on over-the-air service.

Legislative and regulatory proposals to require DTV tuners in receiving devices have been debated for almost ten years now. For example, in 1997, when Congress gave the FCC auction authority, Congressman Markey introduced an amendment that would have required tuners in television sets manufactured after

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<sup>3</sup> Media Bureau Staff Report Concerning Over-the-Air Broadcast Television Viewers, MB Docket No. 04-210 (Feb. 28, 2005).

2001.<sup>4</sup> A few years later, Dale Hatfield (then Chief of the FCC's Office of Engineering & Technology) proposed in a letter to Congress that tuners be required in all television sets manufactured after 2003.<sup>5</sup> Notwithstanding that this has been an issue of public debate for some time, the FCC's tuner mandate schedule still fails to include television sets of under 13" within its ambit. Disney/ABC believes that the Commission should include these televisions within its schedule at the earliest feasible date. Given that policymakers are debating proposals to accelerate the digital transition and to create a consumer converter box subsidy program, there should not be any category of television sets that would not work at some point in the ever-increasing near future. Although the smaller sets are undoubtedly lower cost, it seems intuitive that these sets also will be unlikely to be connected to cable and instead will be placed in viewers' kitchens, bathrooms, or will be used when viewers are traveling. For these sets to be sold with no capacity to receive a digital signal will only increase the number of sets that will need a converter box (or that will qualify for a subsidy) and will only increase viewer confusion about the digital transition.

The digital television transition is at a very important stage and policymakers are discussing a hard date to end the transition. Even though

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<sup>4</sup> See, e.g., Statement of Rep. Edward Markey (July 30, 1997) re: Concerning the Deal to Balance the Budget; "House Panel Approves Spectrum Auction Policy," *Communications Daily* (June 13, 1997) (quoting CEMA spokesman as stating "We have prevailed and put a spike through the heart of the Markey and Dingell amendments"); "House Spectrum Markup Starts and Stops," *Communications Daily* (June 9, 1997).

<sup>5</sup> Letter from Dale N. Hatfield, Chief of the FCC Office and Engineering and Technology, to Rep. W.J. "Billy" Tauzin, Chairman of the House Subcommittee on Telecommunications (Sept. 1, 2000).

Disney/ABC has spent hundreds of millions to further the digital transition, televisions continue to be sold that cannot receive a digital signal. Disney/ABC urges the FCC to expedite the tuner schedule and to include all television receivers as part of the tuner mandate at the earliest feasible date.

Respectfully submitted,

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